

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6506

BILL NUMBER: HB 1417

NOTE PREPARED: Dec 4, 2003

BILL AMENDED:

SUBJECT: Police and Firefighter Merit Systems.

FIRST AUTHOR: Rep. Lawson L

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires all cities, towns, and townships that have full-time paid police or fire departments to use the statutory merit system or establish their own merit system for their police and fire departments not later than July 1, 2006.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Governmental units, such as cities, towns, and townships, would experience an indeterminable increase in administrative expenses to establish merit systems. Currently, governmental units are not required to establish merit systems for their full-time police and fire departments.

The specific effects of this bill on local units would vary and would depend on various factors, such as the size of each unit and the size of its police and fire departments (although the size of a unit and its departments does not necessarily indicate that it will or will not have a merit system established). An estimated 25 to 30 police merit systems exist with approximately 15 fire merit systems.

Background: The creation of a personnel merit system typically requires that formal guidelines for hiring, firing, promotion, and employee appeal be established. Establishing a merit system, whether a statutory system or one established by ordinance, necessitates the administrative expense of preparing merit system documents and the formation of a merit review commission or board.

As of 2003, there were 563 cities and towns with 1,008 townships. As of 2001, 450 municipalities had police departments of some type that employed approximately 7,090 full-time officers, 322 part-time officers, and 1,373 reserve officers. As of 2003, approximately 900 active fire departments existed, of which 89% (800) were volunteer and 11% (100) were full-time.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Units of government that employ full-time and paid police or firefighters, but that have no merit system for those employees.

Information Sources: Tom Miller, Professional Firefighters Union, (317) 443-2130; Law Enforcement Training Board 2001, Indiana Law Enforcement Departments and Offices; Local Government Database.

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